## REMARKS

Receipt of the office action mailed May 7, 2003 is acknowledged. Claims 1-18 are pending in the application and have been rejected. In keeping with the foregoing amendments and the following arguments, reconsideration and allowance of the rejected claims is respectfully requested.

At the outset, the Small reference is silent on transferring proceed between retailers or forward information to a second retailer (Applicants' claims 1 and 7), or making a portion of the purchase price available for transfer between retailers (Applicants' claims 14 and 17). Thus, there cannot be anticipation, nor can there be a prima facie case of obviousness. The rejections must be withdrawn for these reasons alone.

Nevertheless, Applicant has clarified claim 1 as outlined above to positively recite, in part, the steps of displaying a plurality of non-activated giftcards in the store location of the first retailer, and activating a selected one of the displayed giftcards upon receipt of a purchase amount from a customer.

By comparison, Small does not display a plurality of inactive giftcards, and thus one cannot activate a selected one of the displayed giftcards. Instead, Small displays a menu, not a plurality of inactive giftcards. Small then creates a single card, adding items from the menu. See, for example, claim 1, at subparagraph f). Also, note that the reference, at Fig. 2, includes a blank card feeder. Certainly, there would be no reason to display blank cards to a user, and no such suggestion can be found in the reference in any event. With regard to Fig. 5, it plainly states at Col. 4, line 7, that the display is representative of the menu, not an actual card. Thus, at no point are a plurality of inactive giftcards displayed. The rejection is overcome, and claim 1 is in allowable form.

Claims 2-6 depend from claim 1. Therefore, claims 2-6 are also in allowable form.

Claim 7, and the claims dependent thereon, is allowable for the same reasons outlined above with respect to claim 1.

Claim 12 has been clarified to positively recite, in part, that the giftcard is displayed in an inactive state and is activated upon receipt of a purchase amount from the customer. By comparison, on the Small reference, the card is created (but never displayed), and must be authenticated via a telephone call from, for example, the sales clerk. See the authentication aspects illustrated in Fig. 11. An active card simply is not vended in a valid state upon

purchase. Instead, the reference requires an extra authentication step. Thus, the rejection is overcome and claim 12 is in allowable form.

Claims 13 depends from claim 12. Thus, claim 13 is also in allowable form.

Claim 15 positively recites, in part, issuing an active giftcard to the customer upon receipt of the purchase amount. As outlined above, the Small reference requires later verification or authentication, and a valid, activated card is not issued upon purchase. Claim 17 also recites activating the card upon purchase, and displaying the inactive card for sale. Again, Small does not teach or even suggest these claimed steps. Therefore, claims 15 and 17, and the claims dependent thereon, are in allowable form.

In view of the foregoing the above-identified application is in condition for allowance. In the event there is any remaining issue that the Examiner believes can be resolved by a telephone conference, the Examiner is respectfully invited to contact the undersigned attorney at (312) 474-6612.

Respectfully submitted,

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